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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/604,752

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EXAMINER

GOTTSCHALK, MARTIN A

ART UNIT

PAPER NUMBER

3696

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/604,752	<b>Applicant(s)</b> SIEFE ET AL.	
	<b>Examiner</b> MARTIN A. GOTTSCHALK	<b>Art Unit</b> 3696	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 13 May 2008.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 23 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 23 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Notice to Applicant***

1. Claim 23 is pending and is amended. Claims 1-22 and 24-28 are cancelled.

### ***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claim 23 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. In performing the steps of claim 23, there is no requirement that a machine be used. Thus it appears that the claimed subject matter may be performed using only human intelligence, which has recently been held to be non-statutory. Furthermore, process claims reciting abstract ideas are patentable only if the process involves one of the other statutory classes of subject matter (i.e. a machine, manufacture, or composition of matter). In re Comiskey, No. 2006-1286, (Fed. Cir. Sep. 20, 2007), 17-21.

### ***Claim Rejections - 35 USC § 112***

4. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

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5. Claim 23 is rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Specifically, “the entity under-funding” step, and “the entity promising to pay” step do not appear to be supported fully by the specification.

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claim 23 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. The claim as a whole does not recite the steps so that they cohere in a way that describes a clear, logical, and meaningful result. Some particularly unclear aspects are the following:

a. It is not clear how “the entity under-funding” a policy fits in (or is required) to produce an overall result relating to the other steps. This issue is further clouded because the step itself would appear to be disadvantageous to the “entity” performing the step. It is also not clear how “under-funding” is distinct from “optimally funding,” or logically how both could co-exist.

- b. The claim refers to a “first” policy which generally implies subsequent recitation of at least a second policy, but there is no such recitation.
- c. In the “wherein” clauses, the term “means” appears to refer to the definition of a term rather than a subsequent recitation of method steps, as would a transitional phrase such as “comprising,” which is typically used.
- d. It is not clear how “funding” a policy in the usual meaning of the term could mean “withdrawing money from the...policy.”
- e. It appear the three steps beginning with “the owner” are intended to be three alternatives combined with “or” of which only one is required to meet the limitation. However, the punctuation using semicolons makes these appear to be three separate steps, and is inconsistent with how a similar group of alternatives is recited within the “wherein funding means” limitation. This latter group uses commas to separate the alternatives, and the “wherein...” phrase is used to set the alternatives off as a group from the other steps.
- f. Regarding the “entity promising” step, the term “promising” is vague in the context of the claim (e.g. a verbal promise versus a contractual agreement are significantly different).

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g. Regarding the “entity promising” step, it is unclear what is meant by an owner being paid a death benefit after that same owner dies (i.e. it is typically a beneficiary other than the owner who receives a death benefit).

h. Regarding the “entity promising” step, it is unclear why an “entity” would promise to pay a full death benefit to the owner, i.e. it appears this would be disadvantageous to the entity. This would be particularly so since the same entity has already paid the same owner to purchase the owner’s policy. Because of these apparent logical inconsistencies, it is considered that Applicant may not be claiming the intended invention properly.

### ***Claim Rejections - 35 USC § 103***

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

10. Claim 23 is rejected under 35 U.S.C. 103(a) as being unpatentable over Asinof (Asinof, Lynn. "Your Pocketbook: Selling Off Life Insurance: Good Policy? --- It Can Be for Seniors Who No Longer Need It, but Some Financial Advisers Are Skeptical." Wall Street Journal, Eastern edition. New York, N.Y. May 15, 2002. pg. D2; hereinafter Asinof) in view of Applicant's admitted prior art (specification of current application, hereinafter APA).

11. As per claim 23, Asinof teaches a life insurance method, comprising:

an entity purchasing a first whole life insurance policy from an owner (Asinof: abstract, first paragraph, second sentence);

the entity optimally funding the first whole life insurance policy (Asinof: abstract, first paragraph, second sentence, reads on "...pay the premiums...");

wherein optimally means contributing money to the first whole life insurance policy based on AHLQC factors of the owner, the AHLQC factors determined when the entity purchases the first whole life insurance policy from the owner (Asinof: abstract, second paragraph, fourth sentence);

wherein funding means withdrawing money from the first whole life insurance policy, contributing money to the first whole life insurance policy (Asinof: abstract, first paragraph, second sentence, reads on "...pay the premiums..."), or neither withdrawing or contributing money to the first whole life insurance;

the owner paying less money, for an entitlement to a death benefit from the first whole life insurance policy, than the owner had paid before the entity purchased the first whole life insurance policy from the owner (Asinof: abstract, first paragraph, second sentence, i.e. "...companies...pay the premiums...");

the owner paying no money, for the entitlement to the death benefit from the first whole life insurance policy, than the owner had paid before the entity purchased the first whole life insurance policy from the owner (Asinof: abstract, first paragraph, second sentence, i.e. "...companies...pay the premiums...");

or

the owner being paid money for the entitlement to the death benefit from the first whole life insurance policy (Asinof: abstract, first paragraph, second sentence, i.e. "...companies buy policies...collect when seniors die...");



Asinof fails to teach

the entity under-funding the first whole life insurance policy, and thus, the entity risking that the first whole life insurance policy will have no value by the time a death benefit is due under the first whole life insurance policy (Asinof: abstract, second paragraph, second sentence);

however, this is well known as taught by APA. Paragraph [0006] teaches that policyholders drop coverage if it is viewed as a waste of money, and that the risk of under funding may be undertaken by maintaining a lower than normal cash value of a policy and negatively amortizing the policy to keep it in force.

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine Asinof's teachings regarding life settlement investors creating portfolios of purchased life insurance policies with the teachings of APA (i.e. underfunding an insurance policy, thus assuming the risk of decreasing its value through negative amortization, APA: [0006]), with the motivation of making premium payments less expensive (Asinof: full text, third paragraph, first sentence) and thus extending the use of limited funds.

### ***Response to Arguments***

12. Applicant has provided no arguments. In addition, new grounds of rejection have been provided.

***Conclusion***

13. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The cited but not applied non-patent literature teaches life-settlement insurance techniques as investment vehicles.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to MARTIN A. GOTTSCHALK whose telephone number is (571)272-7030. The examiner can normally be reached on Mon - Fri 8:30 - 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thomas Dixon can be reached on (571) 272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/THOMAS A DIXON/  
Supervisory Patent Examiner, Art Unit 3696

/M. A. G./  
Examiner, Art Unit 3696